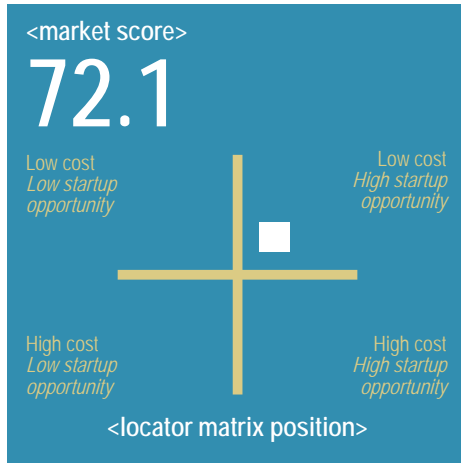


Technology Office Outlook

Portland | 2015



MARKET SCORE AND LOCATOR MATRIX POSITION



Supply 58,492,643 total inventory (s.f.)	Office cost \$24.08 overall direct asking rent	Employee cost \$112,185 average wage 2014	Total cost per employee \$4,214 annual real estate cost (175 s.f./person)
9.1% total vacancy	9.8% 12-month rent growth	7.8% annual wage growth 2014	\$116,399 all-in cost (real estate and wages)
Venture capital \$147.8M total funding Q314-Q215	Population 2,348,247 total population	Talent pool 34.5% % of population with bachelor's or higher	Lifestyle \$1,146 average monthly apartment rent
0.4% share of U.S. funding	5.5% unemployment rate	21.2% share of millennials (work age, 20-34)	11 market dynamism (0-14)

TOP LEASE TRANSACTIONS

Pearl West CBD Tenant: Wacom Size: 53,010 s.f. Relocation within the market	Historic US National Bank Block CBD Tenant: Google Size: 30,000 s.f. Expansion within the market	Pine Street Market CBD Tenant: Guidespark Size: 19,700 s.f. New to market
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OPPORTUNITY

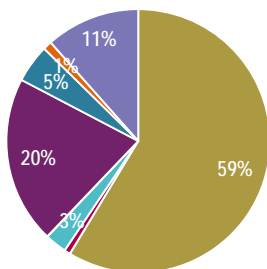
Demand from Portland's office market has been driving vacancies to historic lows, and the response from developers will deliver over 1.5 million square feet of office space to the market in the next six to 18 months. As new space comes online, tech tenants willing to plan early will have an opportunity to secure large blocks of space in the newest, most amenity-rich buildings.

CHALLENGE

Area tech companies will have to look 18 to 36 months out for larger spaces and are facing an environment of rapidly rising rents and dwindling concessions. Though tech tenants expanding into Portland from other markets find the Portland market a relative bargain, home-grown companies used to relatively low asking rates are experiencing sticker shock when renewing or relocating within the market.

EMPLOYMENT COMPOSITION

- Computer/Electronic product manufacturing
- Electrical/equipment manufacturing
- E-retailers
- Online auctions
- Computer systems design & Related services
- Data processing, Hosting & Related services
- Other information services
- Software publishers



"Portland's high amenity lifestyle, relatively low cost of business, and concentration of creative and educated workers make the city highly desirable for expanding tech companies."

- Geoff Falkenberg
Research Analyst

Employment	60,017	2.6%
high-tech employment 2014		annual high-tech employment growth

